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Microfinance Training – Oyugis, Kenya

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Microfinance Training – Oyugis, Kenya
June 28th, 2009

The Microfinance Training was held on June 28th, 2009. The training was led by interns from the Richard Ivey School of Business: Rani Suleman, Jennifer Eldridge and Amanda Armstrong. The day's session was translated to the Yogurt Mamas by DM 945 Project coordinator Roy Omulo.

The training began at 9 am and covered issues that play a critical role in a business success such as:

- Leadership
- Banking
- Insurance
- Savings
- Bookkeeping
- Constitution
- Entrepreneurship

These issues were spoken about in detail at the session. As the day continued the Mamas were given the opportunity to ask questions, while being engaged in the presentation through different activities.

Leadership

The interns went over project objectives with the Mama. The interns explained to the Mamas that one of the goals of this project is to empower the women involved within the kitchen as through doing so the Mamas will be raising the bar of excellence not only for themselves but they will also be setting a strong example for other women in the community. Their dedication and commitment to the project speaks volume for their efforts of positively benefitting the community.

The Mamas were also briefed on the different positions that will be available once the kitchen begins production through a process of election within the Mama's group. The positions up for elections are Secretary, Treasurer and Disciplinary Chair (appointed by Project Coordinator). The roles and responsibilities of these positions were explained to the Mamas and they were advised that elections will take place the following week after the training held by the Mwanza Mamas commences.

Banking

Different types of bank accounts were explained to the Mamas as the kitchen will be operating a separate bank account for the project's purpose for the accounting of daily sales and other related expenses. The two different bank accounts are Fixed Deposit and Savings account. The pros and cons of each were discussed. And noted for further review.

Issues relating to accountability, profitability, and ethics were covered as it is important for the Mamas to realize that coming together as a collective group is critical for their success with the project. The Mamas also discussed with Roy about safeguards mechanisms that should be in place to prevent acts of fraud occurring. Roy advised them that one of the signatories on the bank account will be either the Project Coordinator (himself) or Francis Aila (The PI). Also, any funds collected on a daily basis will be deposited into the kitchen's designated bank account at the end of each working day by the Treasurer

and the deposit slip will be recorded into the kitchen's accounts book after the Project Coordinator will have reviewed it.

Insurance

Personal injury and property insurance was also discussed as stipulated in the Mama's internal agreement.

Savings

The Mamas and the project team discussed how daily operations will be carried out. One of the point of discussion was centered around the sale of the surplus packets. 300 pro-biotic yogurt packets will be distributed to the study participants on a daily basis. The kitchen has the capacity to produce 75 more packets which can be sold to customers at the kitchen. A fair price of 25 KES was agreed upon by the Mamas after considering different factors, such as the cost of the milk in the market.

If 75 packets were to be sold daily, this mode of business would generate a daily income of 1875 KES for the Mamas working. Different options were discussed as to how the Mamas should utilize this income

Option A- Distribute the income fairly amongst the Mamas working in the kitchen which is contingent on how many hours they put into the production that day. For example, the Mamas producing the yogurt will have a higher pay than the Mamas who distribute the yogurt as the hours it takes to produce the yogurt is considerably more.

Option B- Invest the income back into the kitchen into different activities. A few avenues discussed were better packaging for the yogurt that will be up for sale, payment of the night guard and so forth.

Option C- A combination of the above. So a percentage (not agreed upon yet) will go towards the Mamas income and a set percentage will go towards investing into the kitchen and its maintenance.

The Mamas were also advised that it is up to their discretion if they would like to be paid a daily, weekly, or monthly wage rate.

Recordkeeping

The interns had prepared different record keeping sheets which were went over in detail with the Mamas. The record keeping sheets were for the milk acceptance tests, milk delivery record sheets (recorded the daily cost of the milk and additional delivery charges), yogurt distribution records, milk and/ or yogurt spoilage entry sheet, daily production record sheets and the study's clients attendance record sheets. All the different modes of record keeping were discussed and the Mamas were asked to participate in different exercises that revolved around using the different sheets.

It was also explained to the Mamas that when taking the yogurt to the different distribution centres it is important for them to sign the yogurt distribution records so the Mamas producing and packaging the yogurts have an accurate indication on the yogurt packets supply.

Sales records were also reviewed with the Mamas if any of the surplus yogurt packets are sold. The importance of this activity was also discussed as it is critical that the kitchen and bank records match up with the amount of packets sold.

Constitution

The internal policy agreement that was signed in March 2009 was discussed with the Mamas. In this agreement issues related to the kitchen were discussed, such as :

Rent Payment: Mamas were informed that their participation in the project does not uphold them to pay rent for the facility as it was donated by their Chairlady for a period of 5 years that commenced on November 2007.

Security: The security of the kitchen is the Orande Women's Group responsibility and that it is up to them to ensure the safety of the facility after discussing it with the Chairlady.

Contracts: A voluntary contract that was made for the Mamas to sign was created by the interns involved with the project. This contract basically stressed the importance of confidentiality required in this project while the study continues. This contract also addressed code of conduct, production and exit related issues. Refer to Appendix A for more details.

Entrepreneurship

The project team and the Mamas discussed at length the importance of ensuring that the above practices should be carried out in order to ensure the kitchen's success while the project continues and when the Mama's are given control of the facility. Project's sustainability was also discussed as these ethical practices will contribute to the project's success and will equip the Mamas with the necessary tools to run the kitchen once the study commences.

Conclusion

The training was very informative for the Mamas and the project team as well, since many intelligent conversations were carried out in relation to the kitchen's sustainability. The Mamas made suggestions for the record keeping sheets which the interns have taken into consideration. This was good news as the Mamas are taking an active role in the kitchen's operations and its progress. All the individuals involved with the kitchen eagerly await the day when production commences.

Appendix A

FITI YOGHURT

Jiko La Jamii Dairies

D.M.: 945 Probiotic Yoghurt Project

P.O. Box 42, Oyugis

Opposite Shades Hotel



PRODUCTION CONTRACT

Orande Women's Group

1. I understand that the identity of the Fiti Yoghurt study subjects is highly sensitive and confidential information. I therefore agree to use this information only as necessary for the successful operation of the project, and never in a personal or unprofessional manner.
2. I understand that timely production and distribution of the Fiti Yoghurt product is vital to ensuring continued success and support from external funders. I therefore agree to arrive on time, work diligently throughout the scheduled shift, and leave only when the day's work is done, for every shift that I am scheduled for and have agreed to. If I am unable to attend a scheduled shift, I will find a suitable, certified substitute to take my place.
3. I understand that this is a volunteer position, and that income will only be derived from the sale of subsidiary yoghurt packets. The income will be distributed in a manner consistent with the agreed upon principles of the Yoghurt Mamas from the Orande Women's Group.
4. I understand that I am representing many high profile institutions, including World Bank, the Ministry of Health, KEMRI, the University of Western Ontario, and the Orande Women's Group. I therefore agree to act in a manner that reflects these prestigious institutions; treating the production process, sales process, study subjects, clients, potential clients, and Jiko la Jamii Dairies as a whole with the utmost respect and professionalism.
5. I understand that dairy production is a highly sensitive and volatile process. I therefore agree to take the utmost care in following the production procedure, quality control measures, and avoiding any possibility of contamination.
6. I understand that the funding of this project by World Bank is solely for the purpose of the health benefits study. I understand that if the study is unsuccessful because of a failure by the Orande Women's Group to meet production and distribution standards, that this funding will be withdrawn immediately. I therefore agree to act in the best interest of the study and its subjects.

Signing below implies complete understanding of and agreement with the above statements.

Date: _____

Name: _____

Signature: _____

Witness Name: _____

Witness Signature: _____

Appendix B- Pictures



Roy talking to the Mamas about the topics discussed in this report. Mama Benter looking on.



Mama Mary, Mama Benter and Mama Lillian discussing one of the recordkeeping sheets.

ORANDE WOMEN'S GROUP												
FITI YOGHURT												
PRODUCTION RECORDS												
DATE	QUANTITY MILK	HEAT START TIME	90° TIME	INCUBATION TIME	INCUBATION TIME	REMOVAL TIME	REFRIG. START TIME	PACKED?	# packs	# spoiled Yoghurt	# spoiled packs	
JULY 1	5L	9:50	10:20	11:00	11:10	4:20	4:22	✓	09			
JULY 2	9L	10:10	10:40	11:08	11:15	9am July 2	9am July 2					
JULY 3	9.7L	10:16	10:37	11:02	11:10							
JULY 4	11L											

An example of the Production Records. Mamas are asked to keep hard copies of production records which will be filed at the end of each day for record keeping purposes. The chart was made during the Microfinance training and it was filled in by the Mamas when the Mwanza Mamas came in for the training starting July 1st, 2009.